

EXHIBIT 2

IN THE CIRCUIT COURT OF TALLAPOOSA COUNTY
AT ALEXANDER CITY, ALABAMA

MARGARET TURNER WHETSTONE,

Plaintiff,

v.

FRED'S INC., et al.

Defendants.

CIVIL ACTION NUMBER:

2005-246

AFFIDAVIT OF BRADLEY D. MCADORY

1. My name is Bradley D. McAdory, and I am above the age of nineteen (19) years. I am Assistant General Counsel for Fred's Stores of Tennessee, Inc. (wrongfully named Fred's, Inc. in this lawsuit).

2. This Affidavit is given in support of a Petition of Removal filed by Fred's Stores of Tennessee, Inc. in the matter brought against it by Margaret Whetstone.

3. In May, 2004, I received a letter from Ms. Whetstone's attorney, Timothy Davis, making a settlement offer of one hundred fifty thousand dollars (\$150,000.00) on behalf of the plaintiff. The letter was dated May 14, 2004.

4. The letter stated that the plaintiff would institute legal proceedings against Fred's if it did not accept the offer, and would ask for damages in excess of one hundred fifty thousand dollars (\$150,000.00).

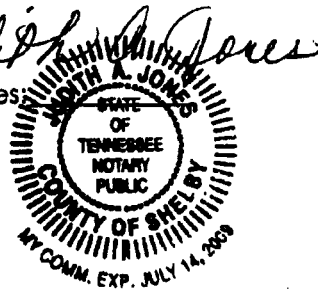


Bradley D. McAdory

STATE OF TENNESSEE)
COUNTY OF SHELBY)

On this the 1st day of December, 2005, before me a Notary Public, within and for said county and state, personally appeared Bradley D. McAdory, to me known to be the identical person described in and who executed the foregoing instrument, and acknowledged that the same is true, and that after reading the same or having the same read to him, and with a full understanding of the terms and the effect thereof, executed the same as his free act and deed and for the purposes therein expressed.

Notary Public
My commission expires:



LAW OFFICES
DAVIS & DAVIS, L.L.C.
5 LEE STREET
ALEXANDER CITY, ALABAMA 35010

MAILING ADDRESS
POST OFFICE BOX 1778
35011-1778

DIANNE J. DAVIS
TIMOTHY B. DAVIS

TELEPHONE (256) 329-8100
FACSIMILE (256) 329-8186

*My
Steve
More*

May 14, 2004

Brad McAdory
4300 New Getwell Road
Memphis, TN 38118

Steve More

256-245-9659

Re: Our Client: Margaret Turner Whetstone
Your Client: Fred's
Date of Accident: 12-04-03

cell 205 837 2534

Dear Mr. McAdory:


We have previously sent to Fred's a notification of our representation of Margaret Turner Whetstone in the above referenced matter. Attached you will find the demand package in this case which includes the photographs of the store in Sylacauga and some of Ms. Whetstone's injuries and medical bills and medical records. All of this serves as documentation of the fact that this accident occurred on or about December 4th 2003 when Ms. Whetstone was a customer in the Fred's store in Sylacauga, Alabama tripped over a rug that was laying in the exit of the doorway. As a result of this accident Ms. Whetstone was severely injured. She was transported by private vehicle to the emergency room at Coosa Valley Baptist Medical Center in Sylacauga, Alabama where she was treated and released. Following her E.R. treatment she was seen by Dr. Graham Howorth an orthopedist in Alexander City, Alabama. Upon taking the history, physical examination which included an MRI and other diagnostic testing it was determined by Dr. Howorth that Ms. Whetstone suffered a derangement of posterior horn of lateral and medial meniscus and osteochondritis dissecans. Ms. Whetstone had to undergo arthroscopic surgery of the knee for removal of loose body/foreign body, debridement/shaving of articular cartilage at the time of the other surgical knee arthroscopy in a different compartment of the same knee. More specifically excision of semilunar cartilage of knee, repair of knee and arthroscopy of knee. Her medical bills total approximately \$16,176.90.

Based on the foregoing Ms. Whetstone has authorized me to make a settlement offer of one hundred fifty thousand dollars and no/100 (\$150,000.00). This settlement offer will remain open for thirty (30) days after which time it will be forever withdrawn. Please notify your client that if this offer of settlement is not accepted by them within the thirty (30) days we will institute legal proceedings in the Circuit Court of Tallapoosa County at Alexander City, Alabama claiming damages in excess of one hundred fifty thousand dollars (\$150,000.00).

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Brad McAdory
May 14, 2004

Looking forward to hearing from you and hoping that we can resolve this matter without litigation, I remain.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timothy B. Davis", written in a cursive style.

Timothy B. Davis

TBD/jbw

Cc: Margaret Whetstone